



March 2, 2011

BY FACSIMILE (202) 233-2147
Number of Pages – 2

Registration Unit
Counterespionage Section, Criminal Division
U.S. Department of Justice
Washington, D.C. 20530

Ketchum
1285 Avenue of the Americas
New York, NY 10019
T: 646 935-3900
F: 646 935-3923
www.ketchum.com

Re: Ketchum Inc. (Registration #5758) – Informational Materials

Dear Sir/Madam:

Pursuant to the Foreign Agents Registration Act of 1938, attached please find informational materials disseminated by Ketchum on behalf of the Russian Federation.

If you require additional information, please feel free to contact me at 646-935-4058.

Offices In:
North America
Europe
Asia Pacific
Latin America

Regards,

A handwritten signature in black ink, appearing to read "C. Mersky", is written over a light blue horizontal line.

Craig Mersky
General Counsel

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HSB/CES/ADM/03/07/104
UNIT

Reuters

McDonald's pledges more investment in Russia growth

2 March 2010

By Maria Kiselyova

- To open at least 40 restaurants in 2011 vs 31 in 2010
- Sees 2011 investment far exceeding last year's \$170 mln
- To open 15 pct more outlets each year
- Future growth potential in untapped Siberia, Far East

MOSCOW, March 2 (Reuters) - McDonald's Corp ([MCD.N](#)) plans to boost investment into expansion of its Russian business this year to increase its foothold in the growing fast food restaurant market amid still sluggish competition.

"We plan to open at least 40 new restaurants this year, and investments will be significantly higher than last year," McDonald's Russia President Khamzat Khasbulatov said on Wednesday.

The world's biggest restaurant chain opened 31 eateries in Russia in 2010, bringing its total to 275, and invested more than 5 billion roubles (\$174.2 million) in openings and renovations, Khasbulatov told a news conference.

"Our priority for 2011 is the opening of new restaurants... If we have an opportunity to open even more than we plan, we have enough resources to do that," he said adding that the group planned to expand its Russian chain by 15 percent each year.

Khasbulatov said Russia was the group's most aggressively developing market in Europe, with a 140 million plus population and the lack of a "big competitive struggle" underpinning potential of the market growth.

Global retail and restaurant chains have been increasingly looking to expand in emerging markets like Russia, China and India, to tap opportunities that their large populations, growing middle-class and consumption provide.

McDonald's smaller rival Burger King entered the Russian market last year through a venture with a local partner but has yet to gain speed and weight in the highly fragmented market.

In contrast, McDonald's famously opened in Moscow in 1990 — before the collapse of the Soviet Union.

U.S. competitor Subway, the world's No.2 restaurant chain by sales, plans to expand its Russian network to 1,000 outlets by 2015 from nearly 100 now.

McDonald's has yet to expand out of the European part of Russia due to infrastructure and logistics issues, Khasbulatov said.

The company will open nearly 20 outlets in the Moscow and St Petersburg regions in 2011 with the first happening in European Russia, but the company also has its eyes on the eastern part of the country.

"Russia is enormous, there are regions where we are not yet present like West, Central and East Siberia — a region with population of more than 20 million, and we have yet to tap them," Khasbulatov told Reuters.

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A handwritten signature in black ink, appearing to read "Craig Mersky". The signature is fluid and cursive, with a large initial "C" and a long, sweeping underline.

Craig Mersky
General Counsel

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- MR's Company to Watch @kaspersky Labs (<http://ht.ly/43zQd>) ranks 32 on @fastcompany's Most Innovative Companies list <http://ht.ly/43yJh>
- Russia's first-ever rouble Eurobond raised \$1.37 billion <http://ht.ly/43oU9>
- Russian Railways net income more than quadrupled in first half of 2010 yoy <http://ht.ly/43oS2>
- Volkswagen creates JV with GAZ to produce more than 100,000 VWs and Skoda vehicles in Russia <http://ht.ly/43oPG>
- New at ModernRussia.com - Pulkovo Airport infrastructure upgrade to boost air travel inside Russia and beyond <http://ht.ly/43mE7>
- Rouble hits strongest level in 10 months <http://ht.ly/42LKU>
- RT @cnbcfastmoney: Pros: Is Russia the New Safe Haven? <http://bit.ly/eLEYUt>
#Economics/EconomicReports/GDP #Economics/EconomicMeasures/Trade
- VEB sets up Far East Investment Fund <http://ht.ly/42UJz>
- Russian companies adopt business ethics codes and emulate Western standards to fight corruption <http://ht.ly/42LHS>
- New at ModernRussia.com - CMS Russia's John Hammond: Deal making, privatization, modernization and investing in Russia <http://ht.ly/42FUm>
- Exchange traded fund flows show strong investor interest in Russia <http://ht.ly/41Vg8>
- Cirque du Soleil to perform in Kremlin Palace for nine weeks in 2012 <http://ht.ly/41VdU>
- Russia's DST invests in Europe's Spotify <http://ht.ly/41Rbc>
- Moscow's commercial real estate market doubled in 2010 <http://ht.ly/41R9C>
- Analysts say Russia might be 'the laggard of the #BRIC,' but it's worth investing in <http://ht.ly/41eOk>
- Moscow Strives to be Finance Center <http://ht.ly/41bjH>
- Johnson & Johnson CEO William Weldon on @CNBCClosingBell: growth in Russia <http://ht.ly/3Z9Lr>

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